

National News

Show Me the Money!

by Mark Knold

How does your pay stack up? How do Utah's wages compare to the nation's, or other states'? Most people are very interested in wage information and comparisons. Utah has a history of lower-than-average wages as a whole. Since 1989, Utah's average has been less than 86 percent of the U.S. average. For the year 2000, Utah's \$29,229 is only 83 percent of the national average of \$35,296. What factors are pulling this wage ranking down? Is it strictly lower wages, or are there other factors involved?

What's Happening?

It turns out it's a combination of both. First, let's understand the average. States are given a weight equal to total nonagricultural employment. Therefore, it takes about 16 western states to equal the weight, or influence on the national average, of California alone.

What you end up with is a list with only 13 states above the national average (including the District of Columbia), and 38 below. So Utah, being below the average, has ample company. Utah ranks 33rd, meaning that it sits near the top of the bottom third.

Other Stuff

Part-time employment is not factored out of the wage calculation, meaning that a higher-than-average amount of part-time employment will bring a state's ranking down. Utah is one of these states, since we have much higher-than-average part-time employment for both men and women.

A major contributor here is that Utah has a higher-than-average participation rate of 16-19 year olds in the workforce and this group has more part-time employment than the general population.

These and other subtle statistical influences are some of the reasons Utah wages come in lower than many of our western neighbors. How much lower varies among occupations. Those that require a college degree or other post-secondary training are impacted most. As a whole, young educated workers are some of the most mobile in our society, so a person receiving post-secondary education in Utah can easily be courted by any number of other cities or states across the country. In these professional/management/computer-related occupations (some of the higher-paying in our society), Utah's lower wage offerings can foster a noticeable amount of brain-power drain.

Quality of Life

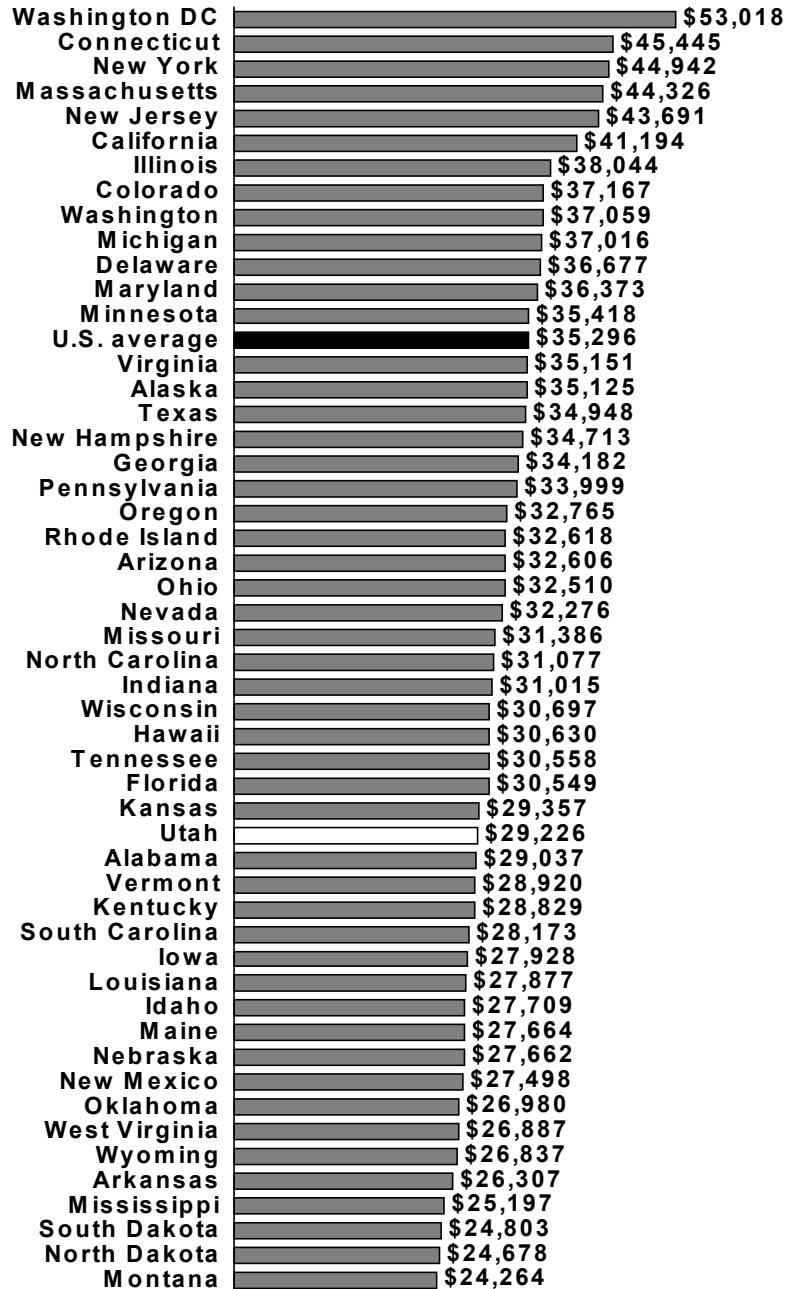
Employers in Utah have the advantage of quality-of-life benefits here that can counter this influence, which generally works in Utah's favor. The amount people are paid for their work generally comes down to the same old basic economic principles of supply and demand.

Wage information, by occupation, for all states and the nation can be found at the Bureau of Labor Statistics

Web site at:

<http://stats.bls.gov/oes/1998/oessrcst.htm>

2000 Average Annual Wage



Source: U.S. Bureau of Labor Statistics.

